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Public Angst Demands Right Response

By Edward P. Cross

TOPEKA, KS.—Across the nation, the oil and natural gas industry continues to draw media attention. Misconceptions about important economic and environmental issues cast a negative light on the oil and gas industry and encourage policymakers to make misinformed decisions. The problem has a potentially negative impact, both on the industry's ability to explore and drill for oil and natural gas, and on America's future access to oil and gas supplies.

Policymakers will respond to public concerns. Negative public attitudes encourage policies and regulations that reflect those public concerns. As the oil and gas industry continues to face the enormous challenge of providing adequate and reliable energy supplies in the years ahead, an informed public has never been more necessary.

The oil and natural gas industry stands at an interesting crossroads. On one hand, we can take pride in our education initiatives and the progress we have made the past several years in bringing a better understanding to the public about the energy challenges facing our nation. Many Americans are beginning to see the link between greater access to our energy resources and our ability to supply them with the energy they need.

On the other hand, we must work with the harsh realities of a political landscape in which our industry is vilified and under assault. For some, the concept that an industry can exercise its traditional goals while meeting its responsibility to protect the environment is viewed as being against the best interest of the nation.

We must bear some of the responsibility for this lack of understanding. For decades, the oil and natural gas industry assumed the public understood us. We believed that if we did our jobs right and continued to provide Americans with the energy they needed, all would work out well.

However, public confidence in our industry has eroded to the point that we lack credibility in some areas. We gain very little by having the facts on our side when those facts are dismissed automatically, simply because they come from us. As a result, we are under one of the more difficult and intense assaults our industry ever has faced.

We are faced with the task of focusing the harsh light of reality onto the fantasy world in which too many of our policymakers have found refuge. Many policymakers speak with sincerity about an economy and a society that can thrive without oil and natural gas.

Too often, debates about energy are steeped in misinformation and misdirection, rather than facts. How does one explain the oil and gas industry to people who have no idea how the nation's energy is produced? How does he debunk the myths about oil and natural gas production, such as hydraulic fracturing threatening water supplies?

Big Numbers

The opportunity for more oil and natural gas development means more jobs, more economic growth, and more money to federal and state treasuries. It also means greater energy security.

Studies indicate the recent discovery of nearly 20 new oil and liquids-rich plays all over the United States could

add as much as 3 million barrels a day of new U.S. production in this decade. This could mean \$1 trillion to the U.S. economy this decade and 1.3 million new jobs. Developing these resources could change the basis of the American economy for a long time.

Policies that encourage developing America's vast oil and gas resources, combined with measures to strengthen our partnerships with Canada and Mexico, could rebalance energy geopolitics, making North America energy independent. This is not a vision of America at the mercy of other oil-producing regions, or an America threatened by scarce resources. It is a vision of America holding the reins of its energy security and future prosperity.

With expanding oil and natural gas production, and the associated big economic and energy numbers, come big issues that are related to these developments. The oil and gas industry's presence and success in areas that were not previously familiar with the practice of oil and natural gas production opened a window for environmental activists to create fear. There is no shortage of issues related to oil and gas development, and with them come no shortage of public angst. Big issues such as hydraulic fracturing, water use, emissions, climate change, endangered species, cumulative effects and more, generate many questions from the public.

Public Angst

Those who oppose American energy development manufacture debate and offer ideas that often are contradictory or otherwise separated from reality. They

will communicate information that confuses the public by making assertions that are out of context and need more information to promote a more complete and informed discussion. They try to mislead the public into thinking there is a widespread problem by using anecdotal information, linking unrelated incidents in an innuendo-filled collection of unfounded allegations. Their arguments are not based on reality, but on a perception that assumes there is a problem—a problem they try to create by using fear.

Public angst has manifested itself, in many cases, in social action. A combination of mainstream and social media, and ease of communication in real time (Twitter, blogs, Facebook, etc.) have given rise to a new voice. This voice has significant influence that is emotionally driven and easily mobilized on a large scale. The Occupy Movement was a good example.

How do we begin to understand what is driving such action? How is it that we can see mass opposition from people who do not appear informed, or don't care to hear the facts, when presented? How is it that some interest organizations can enjoy large-scale societal support? And how is it that oil and natural gas exploration and production companies are viewed so poorly?

The common industry approach to public angst and societal concerns is to respond to visceral attacks with technical answers. These answers are often accurate, fact-based, and supported by historical and empirical evidence.

But people's perceptions are created from a number of sources where they may see repeated information that may or may not be accurate. Social media, mainstream media, and other real-time communications entrench these perceptions. These perceptions become their realities, whether those perceptions are right or wrong. People who have visceral concerns view industry as treating corporate social responsibility as an add-on to their business, rather than as a driver, when industry responds with technical answers alone.

Social Value Shift

Consumer research offers some clues to what has been described as a social value shift across America. After the 2008 market crash, the public mind-set changed. A key finding was that consumer choices were becoming more deliberate and value driven. Consumers' definitions of wealth broadened to include views on what con-

stituted responsibility, leadership, quality, and corporate kindness and empathy.

People are willing to support organizations, industries and companies based on that broader set of criteria. Knowing these trends provides an opportunity for the oil and natural gas industry.

Some would say that the purpose of business is to make money and deliver investor value, so in order to balance what was taken out of society in the form of profits, we should pursue a program of good works and philanthropy that is distinct from the business we are doing—a program of "public relations."

However, I have found a majority of oil and natural gas exploration and production companies do not see responsibility as something to be added as an afterthought or as a public relations gloss. These companies understand that responsibility comes through what we do and the way we do it, not by adding some extra activity. Those in the oil and natural gas industry fulfill their responsibility by supplying goods and services at prices people can afford, and in manners that make the activity sustainable.

The complexity of the process from the beginning point to first oil production is remarkable. In addition to the geology and engineering, all the associated technology of constructing an oil development, and market access, companies have to manage all the issues of landowner relations, environmental impact, workforce development, political challenges, and more.

Those issues are not add-ons for the people developing these resources. They are not questions of public relations dressed up in language of good works and philanthropy. They are integral elements managed to make projects viable.

The way we work is crucial. Our responsibility lies in our activity and the manner in which we pursue that activity. Responsibility is not additional; it is absolutely integral.

Where To From Here?

People want to know that the oil and natural gas industry cares. We should continue to address public concerns about important economic and environmental issues with accurate, fact-based information that separates fact from fiction, reality from myth, and proven practices from hyperbole.

However, we should augment our approach to addressing big issue visceral concerns to include information about

how the industry and companies care about people's needs and concerns. We should communicate and illustrate how responsibility is an integral part of industry's considerations and decisions.

Technical answers alone are lost on the public and come across to many as out of touch. Combining technical answers with communication about the integral role of responsibility in industry's actions through such things as transparency, empathy for people's concerns, leadership in addressing concerns, and underscoring how industry's values align with societal values, all help to secure public trust, loyalty, commitment and support.

The future is exciting! If we approach it correctly, we can take advantage of our communication efforts to advance our cause and place the oil and natural gas industry in its rightful role as an essential and responsible part of modern society. We have a rare opportunity to reposition ourselves from a largely defensive and reactive posture into a more positive, proactive, forward-looking force. □



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